

**The following Minutes of the October 28, 2004 Meeting of the Small Business Loan Fund Corporation were approved by the Board of Directors at the meeting held on December 9, 2004.**

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**SMALL BUSINESS LOAN FUND CORPORATION**

**MINUTES OF THE BOARD OF DIRECTORS**

**OCTOBER 28, 2004**

**A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on October 28, 2004, at approximately 9:37 a.m.**

**Present were Board Members: Raymond Fogarty (Chair), Ed Rendine, Richard DeMerchant and Maurice Paradis. Also present were: Earl Queenan, Anthony Scolavino, Philomena Teixeira, and Alicia Pomfret, staff, along with Tom Moses, SBLFC Counsel from Moses Afonso Jackvony Ltd.**

**Chairman Fogarty called the meeting to order at 9:37 a.m.**

**Adoption of Minutes:**

**The first item to come before the Board was consideration for adoption of the**

**Public Session and Executive Session Minutes of the Board Meeting held on**

**September 23, 2004. Mr. Paradis made a motion to approve the Minutes,**

**Mr. DeMerchant seconded the motion, and the motion unanimously passed.**

**Executive Minutes:**

**The second item to come before the Board was the consideration of maintaining the Executive Session Minutes of the September 23, 2004 meeting as confidential.**

**Mr. DeMerchant made a motion, Mr. Paradis seconded, and the motion passed unanimously.**

**Cash Position / Portfolio Activity / Watch List:**

**Mr. Fogarty presented the Report of Cash Position for review and discussion.**

**Mr. Rendine asked staff to update the Board on the Fund's standing with the United States Economic Development Administration. Mrs. Teixeira reported that the Corporation continues to go through the**

appeals process. Sandy Blitz, is the consultant who has been retained by the Corporation to assist staff with this process. Mr. Blitz is a former Regional Director of the EDA. Mr. Scolavino expressed that the Corporation has previously engaged his services. Upon Mr. Rendine's query, Mr. Moses confirmed that there is no success fee associated with Mr. Blitz's professional fee. Mrs. Teixeira stated that it will take 30 to 60 days for a response from the EDA on this appeal. Mr. Moses explained that the Award in question is the Defense Award.

If the appeal is not successful, the result will be that the EDA will realize the benefit of the interest, and the SBLFC will still be able to award the capital. Mrs. Teixeira noted that effective next fiscal year, the reporting procedure to the EDA will allow awards to be combined in an aggregate report. She went on to discuss plans for future reporting and portfolio activity.

Mr. Fogarty then asked if there was anything to discuss under Portfolio Activity. Staff responded that there was nothing to report.

#### **2005 Meeting Schedule:**

Mr. Fogarty presented the proposed meeting schedule for the calendar year 2005. After review and brief discussion, a motion to accept the meeting schedule as prepared was made by Mr. Paradis, was seconded by Mr. Rendine, and was unanimously accepted.

#### **Executive Session:**

Mr. Paradis made a motion to move the next portion of the meeting into Executive Session pursuant to the Rhode Island Open Meetings

**Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended. Mr. DeMerchant seconded the motion, which passed unanimously.**

**Upon a motion made by Mr. Paradis, and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:15 a.m.**

**Executive Session Vote Ratification:**

**The next item to come before the Board was the ratification of voting held during the Executive Session. The following vote was presented for ratification:**

**On behalf of Henry Birks & Sons USA, to approve the extension of the SBLFC Loan Commitment to December 31, 2004, further, that the Loan Commitment is subject to Henry Birks & Sons USA holding the closing on the First Mortgage Security Agreement for the Real Estate with the Rhode Island Industrial-Recreational Building Authority prior to the disbursement of the SBLFC loan proceeds to Henry Birks & Sons USA.**

**Mr. Paradis made a motion to ratify the aforementioned vote, Mr. Rendine seconded the motion, and the motion was passed unanimously.**

**Upon a motion made by Mr. Paradis, and seconded by Mr.**

**DeMerchant, the Board unanimously voted to adjourn the meeting.  
The meeting concluded at 10:17 a.m.**

**Respectfully submitted,**

**Earl F. Queenan, Jr.**

**Director of Accounting & Finance**